

# IGB-REIT optimistic about consumer spending

**PETALING JAYA:** IGB-REIT is optimistic about the promising outlook for consumer spending, as the easing of movement restrictions, re-opening of economic sectors and national borders augur well for the growth prospects of retail sales in 2022.

In a filing with Bursa Malaysia, the real estate investment trust (REIT) noted that according to Retail Group Malaysia (RGM), Malaysia's retail sales are anticipated to achieve a 6.3% growth for 2022, with 16.5% in the first quarter of 2022 on the back of the Chinese New Year celebrations.

However, the REIT remained cautious about challenges such as the impact of the Omicron variant resulting in higher new infections and increased hospitalisation rates.

"Higher cost of living and the expected interest rate hikes would affect the purchasing power of Malaysian consumers.

"The conflict in Ukraine and Covid-19 pandemic-driven lockdown in China would affect the supply chain of consumers' goods worldwide, and also lead to even more volatile oil and commodity prices," said the REIT.

For its first quarter ended March 31, 2022 (1Q22), the REIT posted a 72.7% year-on-year rise in net property income to RM107.7mil while revenue rose 34.6% to RM133.8mil.

Profit after tax was 95.3% higher year-on-year to RM85.4mil.

Distributable income for 1Q22 was RM91.9mil and distribution per unit was 2.51 sen.

IGB-REIT said during the quarter under review, revenue improved due to higher rental income while the higher net property income was mainly due to the lower rental support provided to tenants as well as reversal for impairment of trade receivables.